

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR A)
PERMANENT DEMAND-SIDE MANAGEMENT) CASE NO. 2008-00161
DIRECT LOAD CONTROL PROGRAM)

O R D E R

On April 30, 2008, East Kentucky Power Cooperative, Inc. ("East Kentucky") filed tariff revisions to its existing pilot program for the direct load control of residential air conditioners and water heaters. The revised tariff is to make the direct load control program available on a permanent basis to all of East Kentucky's sixteen member distribution cooperatives, and the rates are proposed to be effective on June 1, 2008. The pilot program had been approved by the Commission in Case No. 2006-00048¹ and was available only through two East Kentucky members, Blue Grass Energy Cooperative Corporation and Big Sandy Rural Electric Cooperative Corporation.

Based on a review of East Kentucky's revised tariff, the Commission finds that further proceedings are necessary to determine the reasonableness of the proposed tariff revisions and rates, and that such proceedings cannot be completed prior to the proposed effective date. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the revised tariff and rates for a period of one day and allow them to become effective on June 2, 2008, subject to further change as may be ordered by the Commission.

¹ Case No. 2006-00048, The Request of East Kentucky Power Cooperative, Inc. For a Determination of Reasonableness of New Demand Side Management Program, Direct Load Control of Water Heaters and Air Conditioners.

The Commission further finds that since the proposed load control program is to be offered to retail customers and East Kentucky provides only wholesale service to its sixteen member distribution cooperatives, those sixteen distribution cooperatives should be made parties to this case. The sixteen distribution cooperatives are:

Big Sandy Rural Electric Cooperative Corporation
Blue Grass Energy Cooperative Corporation
Clark Energy Cooperative, Inc.
Cumberland Valley Electric, Inc.
Farmers Rural Electric Cooperative Corporation
Fleming-Mason Energy Cooperative
Grayson Rural Electric Cooperative Corporation
Inter-County Energy Cooperative Corporation
Jackson Energy Cooperative
Licking Valley Rural Electric Cooperative Corporation
Nolin Rural Electric Cooperative Corporation
Owen Electric Cooperative, Inc.
Salt River Electric Cooperative Corporation
Shelby Energy Cooperative, Inc.
South Kentucky Rural Electric Cooperative Corporation
Taylor County Rural Electric Cooperative Corporation

IT IS THEREFORE ORDERED that:

1. East Kentucky's proposed tariff, designated PSC No. 32, First Revised Sheet Nos. 26 to 28, is suspended for one day from the proposed effective date of June 1, 2008 to be effective, subject to change, on and after June 2, 2008.
2. East Kentucky's sixteen distribution cooperatives enumerated in the findings above shall be parties to this case and each shall file, within 10 days of the date of this Order, a retail tariff with a June 2, 2008 effective date to offer the direct load control program.
3. The procedural schedule set forth in Appendix A, which is attached hereto and incorporated herein, shall be followed.

a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and 6 copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Done at Frankfort, Kentucky, this 16th day of May, 2008.

By the Commission

ATTEST.


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00161 DATED MAY 16, 2008

All initial requests for information to East Kentucky
shall be filed no later than..... 05/19/08

East Kentucky shall file responses to initial requests
for information no later than..... 06/02/08

All supplemental requests for information to
East Kentucky shall be filed no later than..... 06/16/08

East Kentucky shall file responses to supplemental
requests for information no later than 06/30/08

Any request for a hearing, supported by a detailed
statement of the factual issues to be examined,
shall be filed no later than..... 07/07/08

If no hearing is scheduled, any party may file
written comments no later than..... 07/14/08

If written comments are filed, any party may file
response comments no later than 07/21/08

Allen Anderson
South Kentucky R.E.C.C.
P. O. Box 910
925-929 N. Main Street
Somerset, KY 42502-0910

Daniel W. Brewer
Blue Grass Energy Cooperative Corp.
P. O. Box 990
1201 Lexington Road
Nicholasville, KY 40340-0990

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, KY 40447

Paul G. Embs
Clark Energy Cooperative, Inc.
P. O. Box 748
2640 Ironworks Road
Winchester, KY 40392-0748

Carol H. Fraley
President and CEO
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143

Ted Hampton
Cumberland Valley Electric, Inc.
Highway 25E, P. O. Box 440
Gray, KY 40734

Larry Hicks
Salt River Electric Cooperative
Corp.
111 West Brashear Avenue
P. O. Box 609
Bardstown, KY 40004

Robert Hood
Owen Electric Cooperative, Inc.
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359

Kerry K. Howard
Licking Valley R.E.C.C.
P. O. Box 605
271 Main Street
West Liberty, KY 41472

James L. Jacobus
Inter-County Energy Cooperative
Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

Honorable Charles A. Lile
Senior Corporate Counsel
East Kentucky Power Cooperative,
Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

Debbie Martin
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Michael L. Miller
President & CEO
Nolin R.E.C.C.
411 Ring Road
Elizabethtown, KY 42701-8701

Barry L. Myers
Manager
Taylor County R.E.C.C.
100 West Main Street
P. O. Box 100
Campbellsville, KY 42719

Christopher S. Perry
Fleming-Mason Energy Cooperative
P. O. Box 328
Flemingsburg, KY 41041

Bill Prather
Farmers R.E.C.C.
504 South Broadway
P. O. Box 1298
Glasgow, KY 42141-1298

Bobby D. Sexton
President/General Manager
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240-1422

Honorable David A. Smart
Attorney at Law
East Kentucky Power Cooperative,
Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707